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**Congressional
Update**

**Don't miss the
Town Meeting
schedule inside!**

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Dear Friend,

I hope this letter finds you well. With the 109th Session of Congress now well underway, I am pleased to update you on various legislative issues, including some matters that the House has already acted on and others such as Social Security reform that are just beginning to be discussed. If you have any questions regarding any of the items discussed in this newsletter, please do not hesitate to contact me.

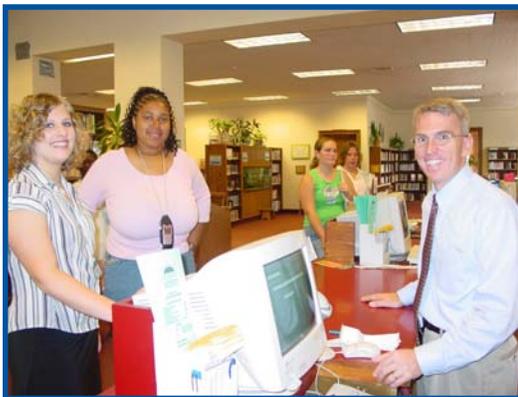
Additionally, please plan to attend one of my upcoming Town Meetings. The dates, times, and locations of the meetings are listed below. I sincerely enjoy my interactions with constituents at Town Meetings and it is imperative for me to remain well informed of your views and concerns.

Finally, please continue to keep our men and women in uniform and their families in your thoughts and prayers. But for the service of these patriotic Americans and their predecessors throughout our nation's history, the freedoms and blessings we enjoy every day would not be. God bless these courageous men and women and God bless America!

Sincerely,

Todd Russell Platts

Supporting Our Libraries - During my most recent *C o m m u n i t y* Awareness Day at Martin Library, I had the pleasure of interacting with interns Abby Rohrbaugh and Nichelle Hasty of York, who were participating in the library's teen



job training program. Congressional Career Awareness Days are an important means of keeping me well-grounded in the values of Central Pennsylvania and provide me valuable insights into the daily lives of 19th District residents.

House Passes REAL ID Act to Promote Homeland Security

On February 10, the House voted 261-161 to pass House of Representatives Bill 418 (H.R. 418), also known as "the REAL ID Act," which is aimed at enhancing border security and implementing critical driver's license reforms. I voted in favor of H.R. 418.

H.R. 418 would make it more difficult for terrorists, such as the so-called "Blind Shiek" (Omar Abdel Rahman), who helped to organize the first World Trade Center bombing, to abuse the political asylum process in order to avoid deportation. H.R. 418 would also make our nation's deportation laws more consistent with our admission laws. Currently, for example, an alien engaged in certain terrorist activities - such as being an officer in a terrorist group or receiving military-type training from a terrorist group - can be denied admission into the United States but cannot always be deported for the same activity once here.

H.R. 418 would also encourage states to adopt stricter standards for the issuance of driver's licenses. Specifically, H.R. 418 would prevent federal agencies (including the Transportation Security Administration which verifies the identities of all persons traveling on commercial airlines) from accepting as a valid form of identification any driver's license which does not meet national anti-fraud standards. Nothing in H.R. 418 would authorize the creation of a national identification card. Importantly, the REAL ID Act would also prevent states from issuing driver's licenses to illegal aliens, as 11 states currently do, and would require that driver's licenses issued to foreign visitors entering the United States on temporary visas have expiration dates that coincide with said visa expiration dates.

The September 11th hijackers had at least 15 forms of state identification between them, enhancing their ability to board commercial flights, rent cars, and otherwise travel throughout the United States without attracting attention. As the 9-11 Commission noted, "For terrorists, travel documents are as important as weapons."

Additionally, H.R. 418 would authorize the Secretary of the Department of Homeland Security to expedite the construction of security barriers along our borders with Mexico and Canada. This provision most directly relates to a 3 mile gap in a 14 mile fence being constructed in San Diego which has encountered many delays.

H.R. 418 is now pending in the Senate. The above-described provisions were originally passed in the House as part of last session's intelligence reform bill. Unfortunately, however, these provisions were removed by a House-Senate conference committee prior to final passage of that bill.

Town Meeting Schedule

Monday, April 4

Grand Army of the Republic
53 East Middle Street
Gettysburg
1:00 p.m. - 2:30 p.m.

Monday, April 4

Camp Hill Borough Hall
2145 Walnut Street
Camp Hill
7:30 p.m. - 9:00 p.m.

Tuesday, April 5

Golden Visions Senior Community Center
1157 Eichelberger Street
Hanover
9:30 a.m. - 11:00 a.m.

Thursday, April 7

Dallastown Area Middle School
700 New School Lane
Dallastown
7:30 p.m. - 9:00 p.m.

Class Action Reform Legislation Enacted

By a large bipartisan vote in both the Senate (72-26) and the House (279-149), Congress passed Senate Bill 5 (S. 5), the Class Action Fairness Act. I voted in favor of this legislation. President George W. Bush signed the measure into law on February 17.

A class action lawsuit is one in which a large group of people sue the same company or companies for identical reasons. Although class actions are an important part of our civil justice system, there has been a growing trend of parties gaming the system for their own gain while imposing greater and greater litigation costs on the economy. S. 5 seeks to address this problem in two ways.

First, under Article III, Section 2 of the U.S. Constitution, federal courts are given primary jurisdiction over lawsuits between citizens of different states. However, it has been traditionally very easy to move class action cases from federal court into local courts, which in turn has resulted in forum shopping for

so-called "magnet courts." These are courts with reputations for entertaining frivolous lawsuits and rubber stamping settlements. Under S. 5, federal courts will maintain jurisdiction over large class action lawsuits so long as the total claim exceeds \$5 million and two-thirds or more of the plaintiffs live in states other than that of the defendant.

Second, S. 5 requires greater federal court oversight of class action "coupon" settlements. These are settlements in which the attorneys for the plaintiffs receive substantial fees but the plaintiffs themselves only receive some small, non-cash benefits. For example, in one lawsuit against a toy retailer, a settlement was reached in which the attorneys for the plaintiffs received \$1 million but the plaintiffs only received a 30% discount on any additional purchases they made at the retailer's store between specific dates. Legislation similar to S. 5 has been passed by the House of Representatives several times, but could never achieve the 60 votes necessary to overcome a filibuster in the Senate.

Public Service is a Family Affair - I was honored to participate in the Eagle Scout ceremony of *Jeremy Scullion*, of Troop 63 of York, and to thank Jeremy and his family for their service to our community and our nation. From left: Jeremy's father, Commander *Bill Scullion*, a United States Naval Reservist who is currently mobilized to U.S. Central Command; his brother and fellow Eagle Scout, *Brian Scullion*, who is a United States Army Reserve Specialist; *Jeremy*, who is an Airman Recruit with the United States Navy; and his mother, *Cynthia Scullion*.



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President Proposes 2006 Budget

President George W. Bush submitted a proposed budget for fiscal year 2006 on February 7. The President's proposal aims to restrain overall spending while still meeting national priorities such as defense and homeland security.

The proposed budget would increase defense spending by 4.8% and spending on homeland security by 8%. All other discretionary spending would *decrease* overall by 0.7%. Despite this restraint in discretionary spending, total federal spending would still increase by 5.8% in fiscal year 2006. This sizable increase is largely due to mandatory spending on programs such as Social Security, Medicare, Medicaid, food stamps, and certain farm subsidies, which automatically increase every year based on program eligibility, inflation, and other factors.

The President's budget proposal is the first step in a nearly year-long process to determine the nation's fiscal priorities for next year. Congress will consider the President's proposal in the months ahead as it first adopts a budget resolution, which will outline the general framework of the federal budget, and then enacts the 10 major appropriations bills to fund federal operations.

As Congress proceeds, I plan on examining the budget resolution and appropriations bills with due consideration to both the need for fiscal restraint, which is important to growth in the economy, and the adoption of proper priorities. These priorities should include protecting America, honoring our veterans, funding federal mandates on our schools, and ensuring access to affordable health care.



Improving the Lives of Children - I was honored to congratulate the Moscato family of York for being named recipients of a 2004 Congressional "Angels in Adoption" award for their work to improve the lives of children through adoption. *Drs. Pam and Guy Moscato* are the proud parents of 12 adopted children, and are awaiting the arrival of their 13th. They have also reviewed medical information on more than 100 children as a service to prospective adoptees throughout the region.

Social Security Fairness Act Introduced

On February 17, I introduced the Social Security Fairness Act (H.R. 961). This legislation would ensure a more fair and equitable payment of benefits to the loved ones of a deceased Social Security beneficiary.

Under current law, when a Social Security recipient passes on, benefits are not paid for the month of death, even if the beneficiary passes away on the final day of the month. In essence, the government receives a windfall at the expense of the deceased beneficiary's surviving loved ones who are handling the emotionally charged task of paying bills associated with the beneficiary's final month of life. Unfortunately, in some instances, grieving family members must refund a Social Security check which was incorrectly issued for the deceased beneficiary's final month alive. Additionally, the current death benefit paid by Social Security (\$255) has not been increased since 1954. Inflation has so eroded the value of this benefit as to make it somewhat insignificant in comparison to funeral costs.

H.R. 961 would continue Social Security benefits through the month of death, with the deceased beneficiary's estate either receiving half of the monthly benefit (where the beneficiary passes away on or before the 15th of the month) or the full monthly benefit (where the beneficiary passes away after the 15th of the month). H.R. 961 would also increase the death benefit to a much more reasonable \$970 - effectively adjusting for inflation since 1974. H.R. 961 is currently pending in the House Committee on Ways and Means, which has jurisdiction over Social Security legislation. For more information, the bill can be found online at <http://thomas.loc.gov/>.

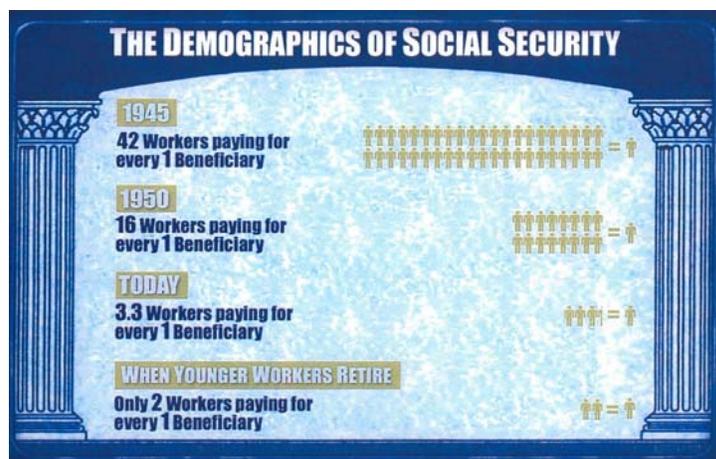
Social Security: Where it Stands After 70 Years

Social Security is a sacred contract between the federal government and the American people. With each dollar in Social Security tax paid into the program, the American people fulfill their end of the deal. The federal government must likewise do the same. With a mom who is currently a Social Security beneficiary and a son and daughter who will not be eligible to retire with full benefits until 2063 and 2066 respectively, I well appreciate the critical importance of protecting and strengthening Social Security for today's retirees and those of future generations.

The Social Security program was officially created in 1935. The program is funded by a payroll tax (currently set at 12.4%) paid by workers and their employers. Social Security benefits are provided to retirees in an amount based on the retirees' highest earnings over 35 years, indexed to reflect the growth in average wages.

Annual revenue generated by Social Security payroll taxes that exceeds the total benefits paid in any given year are invested in government bonds and held in the so-called Social Security Trust Fund. By law, the proceeds from these bonds will be available for use by the Social Security Administration when annual payroll tax revenues can no longer cover benefit payments, currently estimated by the Social Security Trustees to occur in 2018. By 2042, the bonds held in the Social Security Trust Fund will be completely exhausted. Payroll taxes in 2042 will only be generating enough revenue to support 73% of the benefits promised. Although these dates may seem far off, they really are not. An eighteen-year-old entering the workforce today will not be eligible to retire with full Social Security benefits until the year 2054. A child born this year will not be eligible until 2072.

The primary reason for Social Security's impending funding shortfall is related to demographics. Declining birth rates and increasing life expectancy have resulted in a steep decline in the



ratio of workers who pay payroll taxes to retirees who receive benefits. Originally, there were 42 individuals paying the Social Security payroll tax to support each Social Security beneficiary. By 1950, this ratio had dropped to 16.5 individuals paying in to support the benefits of each beneficiary. Currently, there are 3.3 individuals paying the Social Security payroll tax for each Social Security beneficiary. As the large "baby boom" generation retires, this ratio will decline to 2.2 taxpayers to every recipient in 2030 and to 1.8 taxpayers to every recipient in 2075.

The financial challenge facing Social Security is a real-life problem that we should not pass on to future generations. If we fail to achieve an honest, permanent solution to this problem today, then future generations will inherit a true financial crisis. Every year we wait, the greater any future benefit cuts or tax increases will have to be in order to ensure Social Security's solvency.

For additional information, please visit the Social Security Administration's website ("Frequently Asked Questions About Social Security's Future") at www.ssa.gov/qa.htm.

Principles for Strengthening Social Security

President George W. Bush has made the reform of Social Security a top priority of his Administration. Although many specific details have yet to be delineated, the President outlined the following broad principles for reform in his State of the Union speech:

- Social Security should be made **permanently** solvent.
- Our economic strength should not be jeopardized by raising payroll taxes.
- Lower income Americans must be assured that they will continue to get the help they need to have dignity and peace of mind in their retirement. Any reform should maintain the system's progressive nature.
- Current benefits should be **guaranteed** for those now retired or nearing retirement. For Americans 55 and older (those born before 1950), there should not be any change.
- Any changes in the system should be gradual, so that younger workers have years to prepare and plan for their retirement years.
- Social Security should be enhanced for younger workers through the creation of **voluntary** personal retirement accounts.

Voluntary Personal Retirement Accounts

One option being discussed as part of Social Security reform is the creation of personal retirement accounts for younger workers. Such accounts would be entirely voluntary; workers who chose to stay within the current system would be completely free to do so. For those who chose to establish personal retirement accounts, a small portion - possibly up to 4% - of their payroll taxes would be available for investment in a conservative mix of government and corporate bonds and stocks in exchange for a proportional reduction in their promised (although underfunded) traditional Social Security benefits. It is important to note that workers would not be given the opportunity to invest their funds in individual company stocks and would not be allowed to use the funds in their accounts for any purpose other than retirement income.

Personal accounts are being discussed because, under the current Social Security system, younger workers are expected to earn a very small or even negative rate of return as baby boomers retire and the worker-retiree ratio falls. Based on the historical long-term performance of the stock and bond markets, on the other hand, the real rate of return on even a conservative investment portfolio is likely to be 4-8% over time. As such, shifting some Social Security payroll taxes into personal accounts is likely to provide greater retirement income

for future retirees than the present system.

Personal retirement accounts have a significant additional advantage as well. Said accounts create an opportunity for younger workers to build a "nest egg" of their own which government cannot take away. Importantly, this "nest egg" would be transferable to a spouse, children, or grandchildren at the time of the beneficiary's death. Under the current system, if a worker dies prior to reaching retirement age, the only benefit he or she receives in return for paying into Social Security for forty or more years is a \$255 death benefit to help cover funeral expenses.

Concerns have been raised about possible risky investment plans and fraud. There clearly will need to be regulations in place to address these concerns. The Thrift Savings Plan (TSP) for federal workers provides a good model in this respect. Under the TSP, federal employees can choose between one of five broad-based investment funds. Each fund has performed well over time and charges only a minimal administrative fee. It is important to remember that, although the stock market fluctuates up and down in the near term, it has never lost money over any 20 year period - even during the period which includes the Great Depression.

House Moves to Strengthen Job Training Programs

On March 2, the House voted to pass House of Representatives Bill 27 (H.R. 27), the Job Training Improvement Act. This legislation aims to extend and strengthen the nation's job training programs. The bipartisan Workforce Investment Act of 1998 (WIA) established a system of one-stop career centers aimed at providing a single convenient location in each community offering job training and other employment-related services to the unemployed and underemployed. H.R. 27 would build upon WIA by further extending, consolidating, and streamlining adult job-training programs, while also protecting and reauthorizing as a separate program vocational rehabilitation for the disabled.

In addition, H.R. 27 would encourage more involvement in job training programs by faith-based institutions and community colleges. Finally, H.R. 27 would allow the Department of Labor to offer grants to states and local workforce boards inter-

ested in offering Personal Reemployment Accounts. Under such accounts, the unemployed could receive up to \$3,000 to purchase job training, child care, transportation, and career counseling services. If they become re-employed within 13 weeks, they would be able to keep the balance left in their account as a re-employment bonus.

The skills of every job seeker play a critical role in determining whether an individual will succeed in a changing, dynamic, and competitive economy. A demand-driven and flexible job training system, such as the system envisioned by H.R. 27, will help better ensure job seekers are equipped with the tools necessary to find good jobs and that America has the workforce it needs to compete in the global economy. H.R. 27 is now pending in the Senate. For more information regarding H.R. 27, please visit the web site of the House Education and Workforce Committee at <http://edworkforce.house.gov/>.



Breaking New Ground – I was privileged to join several Adams County community leaders last fall for a groundbreaking ceremony for a 50-unit elderly housing community in New Oxford. From left to right: *Darlene Brown*, Executive Director of the Adams County Housing Authority; *Scott Cooper* of Blank Rome LLP; *Sister Barbara Ann Winnals*, President of the Adams County Interfaith Housing Corporation; *Steve Niebler*, Chairman of the Adams Counting Housing Authority; and *Ed Jenkins*, Deputy Director of the Adams County Housing Authority. ▲

Classroom Visit - As a member of the House Committee on Education and the Workforce, it is helpful for me to regularly visit with students and teachers in their classrooms. I recently spoke with Mrs. Joanne Howard's 2nd grade class at Leaders Heights Elementary School about the importance of public service and the electoral process. ▼



Subcommittee Pushes Fiscal Responsibility

As Chairman of the Government Reform Subcommittee on Government Management, Finance, and Accountability, I am charged with broad oversight responsibility pertaining to the financial management of the federal government's numerous departments and agencies. I am dedicated to well fulfilling this responsibility to ensure that your hard earned tax dollars are spent in the most efficient and responsible manner possible.

The subcommittee recently began the new session of Congress with a look at the consolidated financial statements of the entire United States government, receiving testimony from David M. Walker, the Comptroller General and head of the Government Accountability Office, as well as officials from the Treasury Department and the White House. This hearing provided an important starting point for the subcommittee's oversight agenda and for one of my long-term goals as chairman – comprehensive financial management reform.

During the past two years of oversight hearings, witnesses have described time and again how cumbersome financial management laws keep federal managers from running their agencies effectively. More than 800 pages of statutory text – some of which dates back to the 1920s – govern the daily decisions of managers. The result is overlapping and sometimes obsolete reporting requirements and wasted effort. The right financial management reform will ensure that government managers are

accountable to taxpayers in the most effective manner possible so that tax dollars are spent for their intended purpose. The driving force behind financial management should be accountability, not the generation of useless reports and paperwork.

When corporate scandals shook the U.S. economy in recent years, Congress enacted stringent new accounting requirements on publicly traded companies. This legislation, the Sarbanes-Oxley Act, required company managers to document safeguards they have in place to prevent errors or fraud – commonly known as “internal controls.” Internal controls are checks and balances that help detect and prevent problems. They can be as simple as computer passwords and having a manager sign off on a time sheet or as complex as software that detects spending spikes. Internal controls provide a foundation for accountability; and, while they are important in the private sector, sound controls are imperative in government. Public trust depends on nothing less.

The federal government has an absolute obligation to account for your money accurately. Through the promotion of comprehensive financial management reform and heightened focus on internal controls, the Subcommittee on Government Management, Finance, and Accountability will work diligently to ensure that all federal departments and agencies fulfill this obligation.